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UNCLAS SECTION 01 OF 02 SANAA 000718

SIPDIS

STATE FOR NEA/PI

E.O. 12958: N/A

TAGS: [KMPI](#) [KPAO](#) [EAID](#) [ECON](#) [PREL](#) [YM](#) [ECON](#) [COM](#) [DEMOCRATIC](#) [REFORM](#)

SUBJECT: MEPI FY 2004 FUNDING RECOMMENDATIONS

REF: A. SECSTATE 55472

[B](#). SANAA 710

[C](#). 03 SANAA

[1](#). (u) Post welcomes the MEPI FY 04 funding recommendations (ref a) and appreciates the opportunity to comment. Post is pleased to see the continuation of a number of successful programs, including MEET the U.S., WTO accession training, and political parties strengthening. Reftel a requests comments on timing. Post is willing to begin MEPI programs when funding becomes available. Post offers the following pillar-based comments and recommendations:

ECONOMIC PILLAR

[2](#). (u) Trade Investment Framework Agreement (TIFA) assistance will expand on the already successful WTO accession workshops that several Yemeni officials attended. Post would appreciate additional guidance on the structure of available TIFA assistance. While Yemen's financial market is still in the planning stage, Post believes technical advice through the Partnership for Financial Excellence (PFE) might assist Yemen as it prepares its legal and regulatory framework necessary to build a stronger banking sector, financial institutions and, eventually, a stock market.

POLITICAL PILLAR

[3](#). (u) Post enthusiastically supports the overall political pillar programming outlined in reftel and has a few specific comments. Regarding election assistance, Post would like to note IFES' 10-year history in Yemen and existing strategy for election support. Therefore, Post hopes that the development of a regional strategy does not unduly delay ongoing IFES programming in Yemen. Regarding parliamentary strengthening, as discussed between Ambassador and A/DAS Romanowski in February, Post proposed to NEA/PI to further divide the \$2 million FY03 allocation to support representative institutions more generally by also including local councils.

[4](#). (u) Yemen's inclusion into the program for higher judicial councils and continuing education for judges will be an important step forward for judicial reform in Yemen. At the same time, Post has identified commercial law reform as one of its priorities (ref c) and requests inclusion in the CLDP program. As Post's earlier request noted: Foreign investors are discouraged from investing in Yemen because the commercial legal system is ill-equipped to adjudicate disputes. Judges are often unfamiliar with commercial law, and since unification, conflicting laws remain on the books. Courts are burdened with large caseloads and, often, a case may take years to be heard and then stagnates in the appellate process. If a commercial ruling is won, it is rarely enforced. Without a clear land-titling system, limited ability to collateralize against property, and courts' reluctance to enforce default judgments against property collateral, domestic investors are also reluctant to invest their money into new businesses.

EDUCATION PILLAR

[5](#). (u) The Ministry of Education is implementing a program of education reform entitled "The National Strategy for Development of Basic Education in Yemen for 2003-2015." The goals are to increase enrollment, increase equality of access and opportunities for girls, train teachers and school administrators, decentralize the education system and increase community participation. Post will prepare funding proposals under the MEPI Education Pillar Education Activity.

[6](#). (u) As the ROYG seeks to implement broad governmental reform, consensus within the ROYG and donor community is that the lack of public administration skills in Yemen constrains reform. Civil service employees who are not effectively trained hinder the ability of the ROYG to achieve national level reform and achieve decentralization goals. Under the MEPI Education Pillar/education reform and university

linkages activities, Post intends to submit a proposal to establish a Center for Public Administration through a partnership with Yemeni University, a U.S. school of public administration and a respected Middle East university. The program will be structured to provide in-service training for Yemeni public officials who will remain on the job as they pursue a certificate in Public Administration.

WOMEN'S PILLAR

17. (u) As noted in ref b, MEPI programs assisting women find excellent results in Yemen and Post hopes to continue increasing programming in this pillar. While most of Post's women's pillar programs will fall under other pillars (political, for example), the ABA CEELI program will find enthusiastic interlocutors in Yemen, where women have served as lawyers and judges for decades but still face challenges. Post also hopes that Yemen might be included in the Freedom House survey.

COMMENT

18. (u) Comment: Yemen is fertile ground for MEPI programs (ref b). Our MEPI alumni universally praise the training that they attend. Post looks forward to future programs that encourage the Yemenis to further their reform goals. End comment.
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